

**UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF TEXAS  
TYLER DIVISION**

FRACTUS, S.A.,

Plaintiff,

v.

SAMSUNG ELECTRONICS CO., LTD.;

*et al*

Defendants.

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Civil Action No. 6:09-cv-00203

JURY TRIAL DEMANDED

**FRACTUS’S MOTION FOR PROTECTIVE ORDER UNDER RULE 26(c) REGARDING  
ITS P.R. 3-1 INFRINGEMENT CONTENTIONS**

Plaintiff Fractus, S.A. (“Fractus”) respectfully requests this Court to rule that Plaintiff has properly designated its P.R. 3-1 Preliminary Infringement Contentions (“Infringement Contentions”) as “CONFIDENTIAL.” Fractus has already allowed Defendants to share the contentions among the Defendants and among consulting experts without signing the protective order, so long as they maintain the confidentiality of the documents. The Preliminary Infringement Contentions contain non-public data created through laboratory testing and analysis that is not in the public domain. This information is not ascertainable from the face of the antenna. Rather, Fractus used equipment costing at least hundreds of thousands of dollars and spent substantial time testing the antennas to determine how they operate. This data is proprietary and valuable both to Fractus and to others in the antenna industry. Releasing the results of this, along with the other reverse engineering efforts Fractus did, would harm Fractus by allowing its competitors to free ride off the data created by Fractus.

**BACKGROUND**

Fractus’s Infringement Contentions contain confidential, non-public technical information and analysis generated for or by Fractus at considerable expense. Furthermore,

Fractus's Infringement Contentions reveal key aspects of Fractus's licensing and litigation strategy. To protect this sensitive information from unrestricted disclosure, Fractus designated its Infringement Contentions as "CONFIDENTIAL." Although the Protective Order indicates that such information may be appropriately designated as "CONFIDENTIAL" or even "HIGHLY CONFIDENTIAL – ATTORNEYS' EYES ONLY," Defendants have argued Fractus does not have "any basis to claim confidentiality in the Infringement Contentions." *See* Dkt. No. 266 at ¶¶ 2, 3; Dkt. No. 372. As set forth below, however, Defendants' position is unsupportable and conflicts with the Protective Order entered in this case.

Fractus has made every reasonable effort to accommodate Defendants and avoid involving this Court in the present discovery dispute, offering to allow disclosure consistent with the terms Fractus proposes in this motion. However, Defendants not only rejected Fractus's offers to compromise, but also improperly deviated from the negotiated procedures for challenging confidentiality designations under the Protective Order (Dkt. No. 266), by filing a motion to expedite consideration of this issue. The origin for this perceived urgency is unclear, since Defendants have known of Fractus's confidential designation for roughly six months. *See* Dkt. Nos. 382, 383. It is also noteworthy that while seeking to remove the confidentiality designation of Fractus's Infringement Contentions on an expedited basis, the Defendants continue to maintain that their Invalidity Contentions are properly designated Confidential under the Protective Order.

### **ARGUMENT**

Because of the highly sensitive, non-public information contained in Fractus's Infringement Contentions, limiting the disclosure of this confidential information is called for both under the Federal Rules of Civil Procedure and the Protective Order entered in this action.

The Federal Rules of Civil Procedure state that a “court may, for good cause, issue an order to protect a party or person from annoyance, embarrassment, oppression, or undue burden or expense, including . . . requiring that . . . confidential research, development, or commercial information not be revealed or be revealed only in a specified way.” Fed. R. Civ. P. 26(c)(1)(G). The Protective Order specifically acknowledges that “[d]ocuments or information containing confidential proprietary and business information . . . that bear significantly on the parties’ claims . . . are likely to be disclosed or produced during the course of discovery in this litigation.” Dkt. No. 266. In light of these concerns, the Protective Order provides for limited disclosure of information designated as “CONFIDENTIAL” or “HIGHLY CONFIDENTIAL – ATTORNEY’S EYES ONLY.” *Id.* at ¶¶ 2–3, 7. Under the Protective Order, “Protected Information that may be designated ‘CONFIDENTIAL’ includes any confidential technical, business, or financial information.” *Id.* at ¶ 2. The Protective Order further states information properly designated as “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY” may include “non-public technical information, including schematic diagrams, manufacturing and engineering drawings, . . . and other non-public technical descriptions and/or depictions of the relevant technology” and “any information not specifically enumerated in the above categories that can reasonably be categorized as highly sensitive.” *Id.* at ¶ 3(i), (ix) (emphasis added).

Fractus’s Infringement Contentions contain exactly the type of non-public, proprietary information the Protective Order allows parties to protect. Defendants’ assertion that Fractus’s Infringement Contentions are “based entirely on public information” is simply untrue. *See* Dkt. No. 382 at 2. Before Defendants filed their motion to de-designate (Dkt. No. 382), Fractus made clear to Defendants that the “contentions contain confidential and non-public information

generated by Fractus at substantial cost and expense, and the material is not otherwise available in the public domain.” Ex. A (April 29, 2010 e-mail from Justin Nelson to Neil Sirota).

To meet its obligations under P.R. 3-1, Fractus has invested a significant amount of time and money generating technical data used to demonstrate infringement of its patents. Essentially, Fractus has had to “reverse engineer” the Defendants’ products to determine how those products are configured and how they operate. Fractus also invested considerable resources analyzing the technical data it generated as well as other aspects of the accused infringing devices. The confidential, non-public information Fractus seeks to protect includes the reverse engineering of Defendants’ technology reflected in Fractus’s Infringement Contentions as well as Fractus’s analysis of impedance levels, radiation patterns, and current-shaping behavior. The information created by or for Fractus is not available to the public, and Fractus does not reveal such information in the ordinary course of its business. This information is highly valuable in the antenna market, an industry in which Fractus continues to be engaged. The equipment in the laboratory to generate this data costs well into the hundreds of thousands of dollars, not to mention the substantial manpower used to conduct the tests. The technical data it has collected may enable Fractus (or others who may wish to license this data collection from Fractus) to identify competitive advantages relative to others in this industry. Thus, this information fits squarely into the class of Protected Information described in ¶ 3(i) of the Protective Order (Dkt. No. 266). Further, Fractus’s Infringement Contentions “can reasonably be categorized as highly sensitive” based on the work product and legal strategy they reveal. *See* Dkt. No. 266 at ¶ 3(ix). Thus, under the terms of the Protective Order, the information in Fractus’s Infringement Contentions is properly designated as “CONFIDENTIAL” and should not be subject to unchecked disclosure.

There is good cause to place some limit on the disclosure of Fractus's Infringement Contentions. The unrestricted disclosure of the proprietary technical data and analysis could harm Fractus's business by placing its competitors, who shouldered none of the cost of generating and analyzing Fractus's technical information, in possession of this valuable information. In addition, dissemination of Fractus's Infringement Contentions could interfere with Fractus's licensing efforts by giving potential licensees broad access to Fractus's legal theories, analysis, and work product. Further, unrestricted release of this information increases the risk that Fractus will be subjected to declaratory judgment actions, possibly by parties it never intended to accuse of infringing its patents. Such actions would needlessly burden Fractus as well as the courts – especially since the data contains proprietary information generated at substantial expense to Fractus.

Contrary to Defendants' assertions, Fractus's reasons for seeking to prevent disclosure of its Infringement Contentions to the PTO are completely proper. Defendants' proposed disclosure to the PTO would result in unrestricted public access to Fractus's valuable and confidential information. As set forth above, the consequences of public disclosure of Fractus's confidential information could be severe. Moreover, such disclosure serves no other purpose than to injure Fractus.

Defendants' allegation that Fractus's confidential designation "undermines both the notice function of the claims and Fractus's allegations of willful infringement by Defendants in this action" distorts the applicable law. *See* Dkt. No. 382 at 5. Infringement Contentions do not serve to put the public on notice of the metes and bounds of a patent. Infringement Contentions do not and could not play a meaningful role in putting the public on notice of the scope of a patent's claims because, among other reasons, Infringement Contentions are created for the first

time after infringement of the patents has already been asserted. Similarly, it makes no sense to suggest that Fractus's allegations of willful infringement are somehow undermined because the general public isn't allowed to examine Fractus's Infringement Contentions. Lastly, it must be noted that infringement contentions, which must be filed before a claim construction order has even issued, are obviously subservient to the subsequent claim construction order and may even require amendment in light of that claim construction order. The infringement contentions do not govern the ultimate scope of the claims in litigation. Rather, it is the claim construction order from the District Court that governs claim scope.

Fractus's proposal to allow more extensive disclosure of its confidential Infringement Contentions than would otherwise be permitted under the Protective Order provides an appropriate balance of the Defendants' needs and the harm that wholly unrestricted disclosure would cause to Fractus. The relief requested by this motion would allow Defendants to disclose Fractus's Infringement Contentions as is reasonably necessary to mount a defense while maintaining a minimal level of protection of Fractus's proprietary information and minimizing the risk of needless harm to Fractus.

### **RELIEF REQUESTED**

A "court may, for good cause, issue an order to protect a party or person from annoyance, embarrassment, oppression, or undue burden or expense, including . . . requiring that . . . confidential research, development, or commercial information not be revealed or be revealed only in a specified way." Fed. R. Civ. P. 26(c)(1)(G). As set forth above, there is good cause to impose reasonable limits on the disclosure of Fractus's Infringement Contentions. Furthermore, imposing reasonable limits on the disclosure of Fractus's Infringement Contentions is wholly appropriate under the Protective Order entered in this action.

**PRAYER**

Accordingly, Fractus respectfully requests this Court to rule that Fractus has properly designated its Infringement Contentions as “CONFIDENTIAL,” but that, as Fractus has already agreed, Defendants’ counsel should be permitted to share the contentions among the Defendants and among consulting experts without signing the protective order, so long as they otherwise maintain the confidentiality of the documents.

DATED this 12th day of May, 2010.

Respectfully submitted,

/s/ Michael F. Heim

Michael F. Heim

State Bar No. 09380923

Federal ID No. 8790

E-Mail: [mheim@hpcllp.com](mailto:mheim@hpcllp.com)

Micah J. Howe

State Bar No. 24048555

E-Mail: [mhowe@hpcllp.com](mailto:mhowe@hpcllp.com)

Fiona A. Bell

State Bar No. 24052288

E-Mail: [fbell@hpcllp.com](mailto:fbell@hpcllp.com)

HEIM, PAYNE & CHORUSH, LLP

600 Travis Street, Suite 6710

Houston, Texas 77002-2912

Telephone: (713) 221-2000

Facsimile: (713) 221-2021

Max L. Tribble, Jr. – Lead Counsel

State Bar No. 20213950

E-Mail: [mtribble@susmangodfrey.com](mailto:mtribble@susmangodfrey.com)

SUSMAN GODFREY L.L.P.

1000 Louisiana Street, Suite 5100

Houston, Texas 77002

Telephone: (713) 651-9366

Facsimile: (713) 654-6666

Justin A. Nelson

State Bar No. 24034766

E-Mail: [jnelson@susmangodfrey.com](mailto:jnelson@susmangodfrey.com)

Genevieve Vose

WA Bar No. 38422  
E-Mail: [gvose@susmangodfrey.com](mailto:gvose@susmangodfrey.com)  
SUSMAN GODFREY L.L.P.  
1201 Third Ave, Suite 3800  
Seattle, WA 98101  
Telephone: (206) 516-3880  
Facsimile: (206) 516-3883

ATTORNEYS FOR PLAINTIFF

Of Counsel:

T. John Ward, Jr.  
State Bar No. 00794818  
WARD AND SMITH LAW FIRM  
111 W. Tyler St.  
Longview, Texas 75601  
Telephone (903) 757-6400  
Facsimile (903) 757-2323  
E-mail: [jw@jwfirm.com](mailto:jw@jwfirm.com)

Otis W. Carroll  
State Bar No. 03895700  
IRELAND CARROLL AND KELLEY, PC  
6101 South Broadway, Suite 500  
P.O. Box 7879  
Tyler, Texas 75711  
Telephone: (903) 561-1600  
Facsimile: (903) 581-1071  
E-Mail: [Fedserv@icklawn.com](mailto:Fedserv@icklawn.com)

S. Calvin Capshaw  
State Bar No. 03783900  
E-Mail: [ccapshaw@capshawlaw.com](mailto:ccapshaw@capshawlaw.com)  
Elizabeth L. DeRieux  
State Bar No. 05770585  
E-Mail: [ederieux@capshawlaw.com](mailto:ederieux@capshawlaw.com)  
CAPSHAW DERIEUX LLP  
1127 Judson Road, Suite 220  
P.O. Box 3999  
Longview, Texas 75606-5157  
Telephone: (903) 236-9800  
Facsimile: (903) 236-8787

**CERTIFICATE OF CONFERENCE**

I certify that, in compliance with the requirements of Local Rule CV-7(h), I conferred with counsel for Defendants, on multiple occasions regarding this motion, but the parties were unable to resolve this dispute.

/s/ Justin A. Nelson

Justin A. Nelson

**CERTIFICATE OF SERVICE**

The undersigned certifies that a copy of FRACTUS'S MOTION FOR PROTECTIVE ORDER UNDER RULE 26(c) REGARDING ITS P.R. 3-1 INFRINGEMENT CONTENTIONS

was served on May 12, 2010, by electronic mail to the following counsel of record:

David G. Willie – [david.wille@bakerbotts.com](mailto:david.wille@bakerbotts.com)  
Samir A. Bhavsar – [samir.bhavsar@bakerbotts.com](mailto:samir.bhavsar@bakerbotts.com)  
Jeffrey D. Baxter – [jredden@brsfirm.com](mailto:jredden@brsfirm.com)  
Jonathan B. Rubenstein –  
[jonathan.rubenstein@bakerbotts.com](mailto:jonathan.rubenstein@bakerbotts.com)  
Baker Botts, L.L.P.  
2001 Ross Avenue  
Dallas, Texas 75201

Michael E. Jones – [mikejones@potterminton.com](mailto:mikejones@potterminton.com)  
Allen F. Gardner – [allengardner@potterminton.com](mailto:allengardner@potterminton.com)  
Potter Minton, P.C.  
110 N. College, Suite 500  
P.O. Box 359  
Tyler, Texas 75710

*Attorneys for High Tech Computer Corp. and HTC America, Inc.*

Melissa Richards Smith –  
[Melissa@gillamsmithlaw.com](mailto:Melissa@gillamsmithlaw.com)  
Gilliam & Smith, L.L.P.  
303 South Washington Avenue  
Marshall, Texas 75670

Hae-Chan Park – [hpark@park-law.com](mailto:hpark@park-law.com)  
Jiri F. Smetana – [jsmetana@park-law.com](mailto:jsmetana@park-law.com)  
H.C. Park & Associates, PLC  
8500 Leesburg Pike, Suite 7500  
Vienna, VA 22182

*Attorneys for Pantech Wireless, Inc.*

Winstol D. Carter, Jr. – [wcarter@morganlewis.com](mailto:wcarter@morganlewis.com)  
James L. Beebe – [jbeebe@morganlewis.com](mailto:jbeebe@morganlewis.com)  
Morgan, Lewis & Bockius, L.L.P.  
1000 Louisiana Street, Suite 4000  
Houston, Texas 77002

Colin W. Park – [cpark@morganlewis.com](mailto:cpark@morganlewis.com)  
Thomas E. Nelson – [tnelson@morganlewis.com](mailto:tnelson@morganlewis.com)  
Bradford A. Cangro – [bcangro@morganlewis.com](mailto:bcangro@morganlewis.com)  
Morgan Lewis & Bockius, LLP  
1111 Pennsylvania Avenue, NW  
Washington, DC 20004

*Attorneys for LG Electronics, Inc. and LG Electronics U.S.A., Inc*

Donald C. Templin – [don.templin@haynesboone.com](mailto:don.templin@haynesboone.com)  
Layne S. Keele – [Layne.keelee@haynesboone.com](mailto:Layne.keelee@haynesboone.com)  
Haynes & Boone  
2323 Victory Avenue, Suite 700  
Dallas, Texas 75219

Carrie A. Longstaff – [clongstaff@gibbonslaw.com](mailto:clongstaff@gibbonslaw.com)  
Gibbons P.C.  
One Gateway Center  
Newark, NJ 07102

Frank A. Bruno – [fbruno@gibbonslaw.com](mailto:fbruno@gibbonslaw.com)  
Thomas R. DeSimone – [tdesimone@gibbonslaw.com](mailto:tdesimone@gibbonslaw.com)  
Gibbons, P.C.  
One Pennsylvania Plaza, 37<sup>th</sup> Floor  
New York, NY 10119

*Attorneys for Personal Communications Devices Holdings, LLC*

Melissa Richards Smith –  
[Melissa@gillamsmithlaw.com](mailto:Melissa@gillamsmithlaw.com)  
Gilliam & Smith, L.L.P.  
303 South Washington Avenue  
Marshall, Texas 75670

David C. Doyle – [ddoyle@mofo.com](mailto:ddoyle@mofo.com)  
M. Andrew Woodmansee –  
[mawoodmansee@mofo.com](mailto:mawoodmansee@mofo.com)  
Greg Reilly – [greily@mofo.com](mailto:greily@mofo.com)  
Thomas C. Chen – [tchen@mofo.com](mailto:tchen@mofo.com)  
Dale Buxton – [dbuxton@mofo.com](mailto:dbuxton@mofo.com)  
Matt Dobbins – [mdobbins@mofo.com](mailto:mdobbins@mofo.com)  
Morrison & Foerster LLP  
12531 High Bluff Drive, Suite 100  
San Diego, CA 92130-2040

*Attorneys for Kyocera Wireless Corp., Kyocera  
Communications Inc., Palm, Inc.*

Eric J. Faragi – [eric.faragi@bakerbotts.com](mailto:eric.faragi@bakerbotts.com)  
Chang Sik Kim – [changsik.kim@bakerbotts.com](mailto:changsik.kim@bakerbotts.com)  
Neil R. Sirota – [neil.sirota@bakerbotts.com](mailto:neil.sirota@bakerbotts.com)  
Robert L. Maier – [robert.maier@bakerbotts.com](mailto:robert.maier@bakerbotts.com)  
30 Rockefeller Plaza  
New York, NY 10112

Michael J. Barta – [michael.barta@bakerbotts.com](mailto:michael.barta@bakerbotts.com)  
Baker Botts L.L.P.

William L. LaFuze – [wlaфуze@velaw.com](mailto:wlaфуze@velaw.com)  
Steven R. Borgman – [sborgman@velaw.com](mailto:sborgman@velaw.com)  
Scott W. Breedove – [sbreedlove@velaw.com](mailto:sbreedlove@velaw.com)  
Amos Olubunmi – [aolubunmi@velaw.com](mailto:aolubunmi@velaw.com)  
Vinson & Elkins, L.L.P.  
1001 Fannin Street, Suite 2500  
Houston, Texas 77002

David J. Tobin – [dtobin@velaw.com](mailto:dtobin@velaw.com)  
Vinson & Elkins, L.L.P.  
2001 Ross Avenue, Suite 3700  
Dallas, Texas 75201

Meredith J. Flitzpatrick – [mflitzpatrick@velaw.com](mailto:mflitzpatrick@velaw.com)  
Kristen P. Foster – [kfoster@velaw.com](mailto:kfoster@velaw.com)  
David B. Weaver – [dweaver@velaw.com](mailto:dweaver@velaw.com)  
Ajeet P. Pai – [apai@velaw.com](mailto:apai@velaw.com)  
Vinson & Elkins, L.L.P.  
2801 Via Fortuna, Suite 100  
Austin, Texas 78746-7568

Harry L. Gillam, Jr. – [gil@gillamsmithlaw.com](mailto:gil@gillamsmithlaw.com)  
Gilliam & Smith, L.L.P.  
303 South Washington Avenue  
Marshall, Texas 75670

Joe W. Redden, Jr. – [jredden@brsfirm.com](mailto:jredden@brsfirm.com)  
Michael E. Richardson – [mrichardson@brsfirm.com](mailto:mrichardson@brsfirm.com)  
Robert David (“B.D.”) Daniel – [bddaniel@brsfirm.com](mailto:bddaniel@brsfirm.com)  
Beck Redden & Secrest, L.L.P.  
1221 McKinney Street, Suite 4500  
Houston, Texas 77010

*Attorneys for Research in Motion, Ltd.; Research in  
Motion Corp.*

Melissa Richard Smith – [melissa@gillamsmithlaw.com](mailto:melissa@gillamsmithlaw.com)  
Gilliam & Smith, LLP  
303 South Washington Avenue  
Marshall, Texas 75670

Michael A. Dorfman –  
[michael.dorfman@kattenlaw.com](mailto:michael.dorfman@kattenlaw.com)  
Breighanne A. Eggert –  
[Breighanne.eggert@kattenlaw.com](mailto:Breighanne.eggert@kattenlaw.com)  
Timothy J. Vezeau – [Timothy.vezeau@kattenlaw.com](mailto:Timothy.vezeau@kattenlaw.com)

1299 Pennsylvania Avenue NW  
Washington, D.C. 20004

Allen F. Gardner – [allengardner@potterminton.com](mailto:allengardner@potterminton.com)  
Michael E. Jones – [mikejones@potterminton.com](mailto:mikejones@potterminton.com)  
Potter Minton PC  
110 N. College, Suite 500  
PO Box 359  
Tyler, Texas 75710

*Attorneys for Samsung Electronics Co., Ltd., Samsung Electronics America, Inc.; Samsung Electronics Research Institute; Samsung Semiconductor Europe GmbH; and Samsung Telecommunications America LLP*

Melvin R. Wilcox, III – [mrw@yw-lawfirm.com](mailto:mrw@yw-lawfirm.com)  
Yarbrough Wilcox, PLLC  
100 E. Ferguson Street, Suite 1015  
Tyler, Texas 75702

Gordon P. Klancnik – [gpk@nixonvan.com](mailto:gpk@nixonvan.com)  
Robert W. Adams – [rwa@nixonvan.com](mailto:rwa@nixonvan.com)  
Updeep S. Gill – [usg@nixonvan.com](mailto:usg@nixonvan.com)  
Barbara L. Dittmar – [bld@nixonvan.com](mailto:bld@nixonvan.com)  
Michael E. Crawford – [mec@nixonvan.com](mailto:mec@nixonvan.com)  
Nixon & Vanderhye, P.C.  
901 North Glebe Road, 11<sup>th</sup> Floor  
Arlington, VA 22203

*Attorneys for Sharp Corporation and Sharp Electronics Corp.*

Martin T. LeFevour – [martin.lefevour@kattenlaw.com](mailto:martin.lefevour@kattenlaw.com)  
Katten Muchin Rosenman LLP  
525 W. Monroe Street  
Chicago, IL 60661

*Attorneys for Sanyo Electric Co., Ltd., and Sanyo North America Corp.*

Alison M. Tucher – [atucher@mofo.com](mailto:atucher@mofo.com)  
Morrison & Foerster, LLP  
425 Market Street, 34<sup>th</sup> Floor  
San Francisco, CA 94105

Melissa Richards Smith –  
[Melissa@gillamsmithlaw.com](mailto:Melissa@gillamsmithlaw.com)  
Gilliam & Smith  
303 South Washington Avenue  
Marshall, Texas 75670

*Attorney for UTStarcom, Inc.*

/s/ Michael F. Heim

Michael F. Heim